

THRESHOLD CRITERIA

- A. Applicant Eligibility** – The Crossroads Coalition consists of the Indiana Finance Authority and nine (9) Regional Planning and Development Districts (Regional Development Districts). The Indiana Finance Authority is a quasi-governmental entity created by the Indiana Legislature (Indiana Code 4-4-11), and is therefore an eligible entity. The Regional Development Districts are government entities established by Indiana statute (Indiana Code 36-7-7), and are therefore eligible entities. Please see Attachment A for documentation of applicant eligibility. Regional Development Districts are multi-county governmental agencies that perform planning, coordination, and outreach functions for their member counties. The following Regional Development Districts have agreed to be part of the Crossroads Coalition: Indiana 15 Regional Planning Commission, Kankakee-Iroquois Regional Planning Commission, Madison County Council of Governments, Northwestern Indiana Regional Planning Commission, Region III-A Economic Development District, River Hills Economic Development District and Regional Planning Commission, Southeastern Indiana Regional Planning Commission, Southwestern Indiana Regional Development Commission, and West Central Indiana Regional Development Commission. Please see Attachment A for letters from the above-listed Regional Development Districts agreeing to be part of the Crossroads Coalition and a map depicting their locations.
- B. Description of Jurisdiction** – The jurisdiction for this application is the State of Indiana.
- C. Letter from the State or Tribal Environmental Authority** – A letter of support from the Indiana Department of Environmental Management, the state environmental authority, is included as Attachment C.
- D. Cleanup Authority and Oversight Structure**
1. The Indiana Finance Authority, through its Indiana Brownfields Program, has the technical expertise to manage and oversee cleanups for closure at brownfield sites to ensure the protection of human health and the environment. These activities include work plan evaluation, field work oversight, certification of successful investigation and remediation activities, and environmental liability interpretation. Through these activities, the Indiana Finance Authority can ensure that all environmental activities performed with RLF funds will comply with all applicable federal and state environmental laws and regulations. Loan and subgrant recipients will be required to participate in the Indiana Brownfields Program or the Indiana Department of Environmental Management's Voluntary Remediation Program. The Indiana Department of Environmental Management and US EPA have a signed Memorandum of Agreement that establishes federal approval of cleanups conducted under the Voluntary Remediation Program.
 2. The Indiana Finance Authority has legal authority to access and secure sites in the event of an emergency or default of a loan agreement or non-performance under a subgrant. Please see Attachment D for an opinion of the Indiana Brownfields Program General Counsel.

- E. Cost Share** – On behalf of the Crossroads Coalition, the Indiana Finance Authority, through its Indiana Brownfields Program, will provide \$400,000 in the form of a direct cash match to satisfy the 20% cost share requirement.
- F. Legal Authority to Manage a Revolving Loan Fund** – The Indiana Finance Authority has legal authority to hold funds, make loans, enter into loan agreements, and collect repayments. Please see the opinion letter included as Attachment D.

RANKING CRITERIA

- A. RLF Grant Proposal Budget** – The Crossroads Coalition will use the entire \$2,000,000 grant and \$400,000 cost share (\$2,400,000 total) for hazardous substances site cleanups in Indiana. The entire grant and cost share amount will be used to make loans and subgrants to eligible borrowers. Where appropriate, these loans will include a grant of up to forty percent (40%) of a loan amount. As indicated below, not more than forty percent (40%) of the \$2,000,000 EPA RLF Grant (\$800,000) will be provided to eligible borrowers in the form of subgrants.

Through in-kind services, the Indiana Finance Authority as the grant recipient will be responsible for all programmatic costs associated with establishing the RLF, marketing the RLF, making loans and subgrants, involving the community, and overseeing cleanup at sites using RLF funds. Because tasks associated with managing the RLF are provided as in-kind services, travel to the annual National Brownfields Conference for at least one staff person for at least three years is included in the in-kind services provided by the Indiana Finance Authority. The source of funding for all in-kind services associated with this RLF are Indiana's CERCLA Section 128(a) U.S. EPA grant and the Indiana Environmental Remediation Revolving Loan Fund, also known as the Brownfields Fund.

The Crossroads Coalition has chosen this model to maximize the resources available to eligible borrowers for cleanup and redevelopment efforts in Indiana.

| Budget Categories | Project Tasks for Cleanup Loans (60% of amount requested) | | | | | |
|--------------------------|--|------------|-------------|-------------------|-----------------|-------------|
| | Establish RLF | Market RLF | Make Loans | Involve Community | Oversee Cleanup | Total |
| Personnel | IN KIND | | | | | IN KIND |
| Fringe Benefits | IN KIND | | | | | IN KIND |
| Travel | IN KIND | | | | | IN KIND |
| Supplies | IN KIND | | | | | IN KIND |
| Loans | | | \$1,200,000 | | | \$1,200,000 |
| Sub Total | | | \$1,200,000 | | | \$1,200,000 |
| Cost Share | | | \$400,000 | | | \$400,000 |
| | | | | | | |
| Budget | Project Tasks for Cleanup Subgrants (40% of amount requested) | | | | | |

| Categories | | | | | | |
|-------------------------|---------------|------------|--------------------|-------------------|-----------------|--------------------|
| | Establish RLF | Market RLF | Make Subgrants | Involve Community | Oversee Cleanup | Total |
| Personnel | IN KIND | | | | | IN KIND |
| Fringe Benefits | IN KIND | | | | | IN KIND |
| Travel | IN KIND | | | | | IN KIND |
| Supplies | IN KIND | | | | | IN KIND |
| Subgrants | | | \$800,000 | | | \$800,000 |
| Sub Total | | | \$800,000 | | | \$800,000 |
| Cost Share | | | | | | |
| Total | | | \$2,000,000 | | | \$2,000,000 |
| Total Cost Share | | | \$400,000 | | | \$400,000 |

Establish RLF – These activities will be provided as in-kind services and will consist of establishing an application process for potential borrowers and scoring criteria for site selection,

Market RLF – These activities will be provided as in-kind services and will consist of

Make Loans and Subgrants – The entire RLF grant and cost share amount will be used to make loans and subgrants to eligible borrowers for site cleanup activities.

Involve Community – These activities will be provided as in-kind services and will consist of

Oversee Cleanup – These activities will be provided as in-kind services and will consist of Indiana Brownfields Program staff overseeing the cleanup activities, including field work and written reports. Comment letters will be issued to both the borrowers and the borrowers' consultants to communicate any deficiencies in the cleanup work. As part of the oversight of the cleanups, Indiana Brownfields Program staff will track the progress of the cleanups and report progress to U.S. EPA as appropriate.

B. Community Need

1. Target Communities The entire State of Indiana is the target community for the RLF Program. Indiana is a predominantly rural state. The 2005 population in Indiana was 6,271,973. Only 4 communities have populations that exceed 100,000. Of the total population, 8.8% are black, 4.5% are Hispanic or Latino, and 1.2% are Asian. In 2003, the poverty rate was 10%, and the poverty rate among children under 18 was 13.7%. The September 2006 unemployment rate was 4.7%. On average, Hoosier workers earn 90 cents for every 1 dollar the average American earns. (Indiana Business Research Center)

Indiana has relied on heavy manufacturing as a primary source of employment, property tax revenues, and economic stimulation for much of its history, but recent plant closings, company layoffs, corporate downsizing, and the globalization of the manufacturing marketplace have left many Indiana communities (particularly those represented by Regional Development Districts) suffering from a significant amount of disinvestment and overall decline of neighborhoods and communities. This trend is particularly evident in Lake County, Indiana, where heavy industry has left many properties abandoned, many workers unemployed, and local officials with less revenue with which to provide county and city services. These effects are also felt at the state level, where budgets are being shifted to meet the ongoing demands of government. This is not felt more strongly than in government programs that serve low income and minority populations.

| Demographics: State of Indiana Compared to Select Counties in Crossroads Coalition Service Areas (Source: Indiana Business Research Center) | | | | | |
|---|-------------------------|---|---|------------------------------------|--|
| W h i | | Unemployment Rate (September 2006) | Per Capita Income (2004) | Poverty Rate (2003) | Child Poverty Rate (2003) |
| | United States | 4.4% | \$33,050 | 12.5% | 17.6% |
| | State of Indiana | 4.7% | \$30,204 | 10% | 13.7% |
| | | | | | |
| | Indiana 15 RPC | | | | |
| | Crawford County | 6.7% | \$22,818 | 12.9% | 18.9% |
| | Madison County | 6.3% | \$28,337 | 11.0% | 16.1% |
| | Northwestern RPC | | | | |
| | Lake County | 6.6% | \$28,594 | 12.7% | 18.5% |
| | Kankakee- Wabash RPC | | | | |
| | Starke County | 6.6% | \$21,348 | 11.7% | 17.3% |
| | Region III-A S | | | | |
| | Steuben County | 6.2% | \$26,107 | 8.1% | 11.2% |
| | River Hills a | | | | |
| | Washington County | 6.3% | \$24,176 | 10.5% | 14.9% |
| | Southeastern In RPC | | | | |
| | Switzerland County | 4.0% | \$22,209 | 10.9% | 15.5% |
| | Southwestern In RPC | | | | |
| | Vanderburgh County | 5.0% | \$32,926 | 11.8% | 16.0% |
| | West Central In RPC | | | | |
| | Vigo County | 6.9% | \$26,568 | 13.7% | 18.7% |

urban, many of the Counties represented by the Crossroads Coalition are very rural. Although differences between these areas do exist, the effects felt in big cities are also felt in rural Indiana. As is often the case in many rural communities, when one major employer leaves a community, it leaves many of the residents unemployed. Already struggling to meet the unique demands of a

rural population, rural counties and cities are forced to provide the same level of service with fewer resources. Once heavy industrial areas (like Lake County) are struggling to find ways to boost their once vibrant economies, while rural areas are attempting to find ways to entice companies to locate in less populated areas (and bring high paying jobs to their workforce). The table above provides a snapshot of some of the counties represented by the Crossroads Coalition members.

Many rural communities do not have the capacity or resources to manage brownfields redevelopment projects. Many of the smaller communities were built adjacent to rail corridors and around businesses and manufacturing operations that are now vacant and abandoned. Most of these communities do not have public water utilities that monitor drinking water quality on a regular basis. The Crossroads Coalition is made up of Regional Development Districts that service these types of communities and will represent their interest as they develop their economic potential.

2. Community Benefits RLF funds will be targeted to economically distressed Indiana communities and to help those communities that cannot help themselves. Funds will be available for projects that are ready for redevelopment and to those projects that promote high wage jobs for Indiana workers. Governor Daniels has focused much of his first term on growing the personal income for Hoosiers and has identified brownfields redevelopment as an important part of Indiana's economic recovery. Preliminary data on the impacts of state grant and loan assistance indicates that \$9 million invested has yielded over 500 new or retained jobs and 75 new housing and rental units created, in addition to over \$90 million in other public and private investment.

RLF funds will be used to remediate asbestos containing materials, soil, and groundwater contamination. By cleaning up contaminated sites, the number of exposures to cancerous and non-cancerous contaminants through inhalation, ingestion, and direct contact is greatly reduced. For example, in Indiana to date, \$1.3 million in state petroleum remediation grants have removed 30 Underground Storage Tanks (USTs), 17,076 tons of contaminated soil, and 36,391 gallons of liquid. The Crossroads Coalition hopes to see similar successes with the hazardous substance RLF.

3. Brownfield Impacts There are an estimated 10,000 brownfield sites in Indiana, and they have the potential to have negative implications statewide, including creating blight, decreasing property tax revenues, discouraging reuse of existing infrastructure, and exposing community members to potential environmental hazards. Sensitive populations, including children and pregnant women, are more at risk for experiencing the potential adverse effects of brownfields.

C. Business Plan for RLF Program

1. Business Concept and Products The Indiana Brownfields Program has historically been administered by both the former Indiana Development Finance

Authority (IDFA, now IFA) and IDEM. With the Governor's aggressive state government restructuring effort, the Indiana Brownfields Program was consolidated under the purview of IFA, although environmental and technical activities are still conducted by IDEM staff within the Indiana Brownfields Program. This is a significant change in the way the Indiana Brownfields Program has been managed in the past, and the new deliverables from this restructuring include faster service, more effective management, and a renewed focus on economic development and jobs creation.

IFA has the capacity and infrastructure already in place to move money quickly to projects and borrowers and expects to begin making loans in the fall of 2007, with the expectation that all RLF money will be loaned within 2 years of an award from EPA. The \$2,000,000 RLF grant, combined with the \$400,000 IFA cost share (cash match), will provide cleanup funding for hazardous substance cleanups in Indiana. Initial loans made from the RLF will be zero-interest (0%) to eligible entities under EPA guidelines. The loans will be combined with subgrants of up to 40% of the loan amount if specific project milestones are met within 2 years of a RLF loan award. Subgrants will follow recognition of project success; maximum subgrants are \$200,000 per project, regardless of loan amount. RLF loan terms will not exceed ten (10) years with semi-annual payments. If payments are deferred for any period of time (maximum of 2 years), then the balance of the loan will be amortized within the remaining term of the loan. Prepayment of the outstanding principal can be at any time.

IFA's goal is to manage a program that is able to sustain itself over the long term through financial planning and loan repayment. The initial goal is to infuse financial capital in projects lacking resources due to their location or market conditions in the community. To maximize investment, the plan will be to couple the RLF funds with other brownfields monies available in Indiana, including state brownfields assistance. For instance, RLF funds will only be available for hazardous contamination remediation, noting that Indiana already has established brownfield grants to fund remediation of petroleum contamination. Other possible assistance includes remediation tax credits, HUD resources, private dollars, and local investment. State resources, including community development grants, business assistance (tax credits, workforce development grants, tax abatements), and greenspace/trails funds are also available and will be presented to a borrower, as appropriate, for a potential project. Projects identified for RLF funding will be presented with a financial assistance package that will accomplish all cleanup goals at any particular site, noting that such a package will include a mix of local, state, and federal resources.

2. Target Market The Crossroads Coalition plans to aggressively market the RLF to any eligible entity in Indiana with an eligible brownfield site and a clear redevelopment plan. Traditionally, state brownfields funding (through the Indiana Brownfields Program) has only been available directly to cities, towns, and counties, with the ability for one of those entities to receive money on behalf of a third party. While this model has proven successful, the Crossroads Coalition

believes greater success can be achieved by allowing RLF funding to be disbursed directly to any eligible entity, thus making the RLF attractive to private entities and filling a gap that currently exists in state brownfields assistance.

Crossroads Coalition members represent very diverse areas of Indiana. Different regions have different types of brownfields, and the Crossroads Coalition will work to fund a range of sites, including dry cleaners, manufacturing sites, abandoned landfills, etc. Modified scoring criteria for RLF funds will give priority to projects in rural and/or economically distressed areas of the state, including those areas with high unemployment or poverty rates, recent history of manufacturing shutdowns, and areas with mine-scarred lands. Rural areas in Indiana struggle with brownfields redevelopment because market conditions are not as conducive to redevelopment and because these sites often require more public investment than their urban counterparts. Furthermore, the Crossroads Coalition will funnel funds to those areas of the state that cannot manage a revolving loan fund grant on their own, because they do not have the capacity or expertise to do so.

3. Selection Process The Crossroads Coalition will form an Advisory Board to make decisions regarding the development of the RLF and to prioritize and recommend projects for RLF funding. The Advisory Board will be made up of the Executive Director (or designee) of each Crossroads Coalition member. Guidelines to administer the RLF will be partially based on current Indiana Brownfields Program policy and will be modified to incorporate all necessary EPA rules and regulations. The Crossroads Coalition will ensure that site, subgrantee, and borrower eligibility determinations are made in accordance with the federal Brownfields Law. While priority for funding may be given to projects in a jurisdiction served by a Crossroads Coalition member, projects that are located in other areas of the state will also have direct access to funding.

Eligible borrowers include any public or private entity that can demonstrate the following: ownership of or access to an eligible site, exemption from CERCLA liability, authority to incur debt and enter into legally binding documents, responsible fiscal management of previously awarded state grants and/or loans (if applicable), sufficient financial capacity to repay the loan, and a clear redevelopment plan.

The borrower must then demonstrate several site and project characteristics. This information will be used by the Crossroads Coalition to screen each site to ensure that it meets the following site eligibility criteria: it meets the federal definition of a brownfield, it does not have a viable responsible party, it does not have an ongoing state or federal enforcement action, it does not pose an imminent threat to human health or the environment, and other factors as deemed necessary or appropriate.

The Crossroads Coalition will evaluate eligible projects utilizing criteria similar to those currently used by the Indiana Brownfields Program to score projects for

state brownfields funding. Priority for RLF funding will be awarded to projects that have very clear redevelopment plans or potential, strong community involvement and support, and future scheduled investment (leverage), among other factors. The Crossroads Coalition will use the same criteria to evaluate projects for RLF funds. These criteria are included as Attachment E.

- a. The Crossroads Coalition plans to award RLF loans and subgrants to greenspace and non-greenspace projects and will utilize EPA's criteria in awarding those loans as applicable. For example, northwest Indiana is working to reclaim the Lake Michigan shoreline and participated with other stakeholders and the Great Lakes Commission, which hosted the Coastal Connections 2006 Land Use Roundtable to facilitate increased awareness of the relationship between brownfields and greenfields. The availability of remediation funding for this effort will be important to the success of remediating and redeveloping lakefront property for greenspace and other recreational uses.
 - b. By including a subgrant component in loans available from the RLF, the financial burdens associated with remediating a brownfield site are lessened. This is important to note for the small, rural, and poor areas that otherwise would not be able to finance a brownfields redevelopment project. For example, only 6 counties in Indiana have smaller populations than Crawford County. Crawford County has a per capita income that is 76% of the state average, and poverty rates for the entire population, including children, of over 120% of the state average.
 - c. Properties already completely served by infrastructure will receive higher scoring in site prioritization in order to facilitate the reuse of those resources.
 - d. The Crossroads Coalition believes that a loan and subgrant combination best meet the needs of Indiana, yet secure at least 60% of the funds as "revolving" for future use. With recent manufacturing plant closings, and news that many companies anticipate downsizing certain North American operations, the Crossroads Coalition expects that brownfields will continue to be a challenge in community and economic development efforts in Indiana. With an estimated 10,000 brownfields in Indiana, flexible and creative financial resources will be important to Indiana communities in the future.
4. Management Teams IFA has sufficient expertise, capacity, and resources to manage the RLF grant and activities conducted with RLF monies on behalf of other Crossroads Coalition members without such resources. IFA oversees and administers all the state's brownfields management activities. With respect to those activities, IFA has technical staff to perform all the necessary environmental technical tasks associated with each redevelopment project on behalf of the Crossroads Coalition members. Sites that receive RLF funding will be required to enroll in the Indiana Brownfields Program or the IDEM VRP, under which environmental cleanup activities will be monitored and overseen. IFA has

assembled an experienced and qualified team to administer this grant. The brownfield management and operational structure is as follows:

James McGoff, Director of Environmental Programs for the Indiana Finance Authority, has extensive experience managing federal funding through his leadership of the State Revolving Fund. Mr. McGoff is currently responsible for managing the \$1.4 billion State Revolving Fund Loan Programs in addition to the Indiana Brownfields Program.

Sara Westrick Corbin, Financial Resources Coordinator, has been with the Indiana Brownfields Program for over five years. Ms. Westrick Corbin has managed the financial aspects of the Indiana Brownfields Program, including the administration of state financial assistance.

Matt Martin, State Revolving Fund Finance Manager, has been with the State Revolving Fund for over eight years. Mr. Martin has managed all financial and accounting aspects of the State Revolving Fund Programs, including the administration of federal funding.

Kevin Davis, Indiana Department of Environmental Management Technical Review Coordinator, is an Indiana Licensed Professional Geologist who has been with the Indiana Department of Environmental Management for 12 years. Mr. Davis is responsible for the operational staff that will ensure safe cleanups at sites that enroll in the Indiana Brownfields Program. For those sites that choose to enter the Indiana Department of Environmental Management Voluntary Remediation Program, a Voluntary Remediation Program project manager will be assigned to manage the technical needs of the project.

Meredith Gramelspacher, General Counsel, has represented the Indiana Brownfields Program and other cleanup programs at the Indiana Department of Environmental Management for the past five years, after working at EPA headquarters in Superfund Enforcement for four years.

Michele Oertel, EPA/Community Liaison & Outreach Coordinator, had previously worked for the Indiana Department of Environmental Management for 16 years and has been with the Indiana Brownfields Program since its inception having served in other capacities as a project manager and technical review coordinator.

Susan Tynes Harrington, EPA Grants Manager, has worked for the Indiana Brownfields Program for over six years in technical project management, public outreach activities, and EPA reporting. Ms. Harrington will serve as the RLF project manager, whose position will be dedicated at least 50 percent to the management of the Crossroads Coalition RLF if awarded.

D. Sustainable Reuse of Brownfields

1. Pollution Prevention For RLF projects, cleanup of brownfields discourages urban sprawl, which reduces consumption of valuable greenspace resources. The Indiana Finance Authority, through its Indiana Brownfields Program, works closely with the Indiana Department of Environmental Management and its Office of Pollution Prevention and Technical Assistance to market information and incentives related to pollution prevention and resource consumption reduction. In addition, a newly-created Energy Office is responsible for administering various energy-related grant programs, including the Renewable Energy Demonstration Project Grant Program and the Alternative Energy Systems Grant Program. Other examples include the Pollution Prevention Program, the Source Reduction and Recycling Program, and the State Revolving Fund Drinking Water and Wastewater Loan Programs (managed by the Indiana Finance Authority). The Crossroads Coalition Advisory Board will distribute information about these programs to the RLF participants and actively encourage pollution prevention. In addition, projects who demonstrate a strong pollution prevention component will be scored higher in the site prioritization process.
2. Economic Benefits Governor Daniels has placed brownfields redevelopment at the heart of his economic recovery strategy for Indiana and mentioned brownfields redevelopment in his first State of the State address in early 2005 as a priority of his new administration. Together with the new Shovel Ready initiative and the restructuring of Indiana's economic development agencies, brownfields redevelopment is positioned to afford significant opportunities to stimulate Indiana's economy through local and private investment (leverage), job creation, enhanced property values (both through economic development and greenspace creation), and increased tax revenues.

It is important to note that there is a demonstrated need for additional brownfields dollars for projects in Indiana. IFA, through its Indiana Brownfields Program, has awarded over \$4 million in site assessment grants. Competition for these funds has increased significantly over recent years, and funding requests are typically greater than the amount available to award. Since February 2003, the Indiana Brownfields Program has received 141 applications for assessment funding (totaling more than \$2.8 million in requests), but has only been able to grant to 86 applicants for a total of \$1.6 million in grants. Many of the unfunded projects are in rural areas represented by a Crossroads Coalition member. Many rural brownfield projects await funds for assessment and remediation or stall following assessment activities, and this is compounded by limited state and local resources to address these sites. In Indiana, rural projects are often smaller in scale than their urban counterparts, but the cleanup and redevelopment of these sites utilizing RLF funds can have a proportionally larger economic impact than a similar cleanup and redevelopment in an urban area.

3. Vibrant Community The Crossroads Coalition recognizes that mixed-use development and the concept of sustainability are vital parts of long-term community prosperity. Redevelopment plans often include some components of smart growth and new urbanism concepts, including mixed-use designs,

walkable neighborhoods, reuse of existing infrastructure, and building design elements that promote community character and livability. The Indiana Main Street Program offers assistance for downtown redevelopment projects that can promote walkable downtowns, preserve community character, and generally enhance livability. As part of the scoring criteria for RLF site selection, projects will be rated in part based on how they will promote community character and sustainability.

E. Creation and/or Preservation of Greenspace/Open Space or Nonprofit Purpose

Generally, most brownfields redevelopment projects have a great potential for preserving greenspace by reusing contaminated land instead of developing previously unimproved land. The sites that will be remediated with the RLF monies have the potential to be redeveloped into parks, greenways, or recreational properties. The scoring criteria and evaluation of the RLF applications will include treating the value of greenspace and open space as equivalent to the creation of jobs, housing, and other more evident economic development goals. IFA, through its Indiana Brownfields Program, has awarded state brownfields assistance to projects with planned recreational (parks and greenways) redevelopment. If a borrower includes the creation or preservation of greenspace or trailway, long-term plans for its management will be a requirement of receiving RLF funds.

F. Pre-Award Community Notification

1. Community Notification The public was notified through the following actions:
 - July 24, 2006 – distributed an email Newsletter article entitled “Indiana Turns to U.S. EPA for Additional Brownfield Dollars” describing the intentions of the Indiana Brownfields Program to apply for an RLF grant as part of a coalition
 - October 16, 2006 – through various Email Listservs, distributed notice of the November 2 workshop and public availability session, announced the availability of the RLF grant proposal on the Indiana Brownfields Program Web site, and requested public input for the proposal
 - November 2, 2006 – discussed application with stakeholders from throughout the state of Indiana during the “Federal Brownfields Grant Proposal Workshop”
 - November 2, 2006 – held public availability session for the Crossroads Coalition RLF

Legal notices were published in the following regional newspapers: *The Indianapolis Star* (Indianapolis), the *Herald Times* (Bloomington), the *Evansville Courier & Press* (Evansville), the *Fort Wayne Journal Gazette* (Fort Wayne), *The Evening News* (Jeffersonville), the *Post Tribune* (Lake County), and the *South Bend Tribune* (South Bend). A copy of the public notice is included as Attachment B.

2. Most Appropriate Way to Notify Because the jurisdiction of the Crossroads Coalition is the entire state of Indiana, using the variety of methods of public notification detailed above was the most appropriate and necessary to reach the greatest number of people. IFA, through its Indiana Brownfields Program, has in

place an Email Listserv that currently serves 889 brownfield stakeholders and a Web site where Crossroads Coalition RLF information was kept up to date. In addition, a broader audience was sought through newspaper notices throughout the state, and one-on-one interaction was solicited through public availability sessions and conference calls.

3. Comment Period IFA first announced its intentions to apply to EPA for an RLF as a coalition on July 24, 2006. At that time, IFA requested that communities in Indiana with possible sites for redevelopment come forward. Since that time, any comments and ideas have been accepted in any form. A draft of the Crossroads Coalition RLF proposal was available on the Indiana Brownfields Program Web site beginning on October 26, 2006, and was updated periodically until the submittal deadline to EPA. Emails requesting input were sent out on the Indiana Brownfields Program's Listserv, as well as the Listservs of partner organizations, such as the Indiana Association of Cities and Towns and the Indiana Land Use Consortium.
4. Plans for Addressing Comments Received Any comments received thus far have been incorporated into the RLF Proposal. Any additional comments that are received past the December 8, 2006, submittal deadline will be considered by the Crossroads Coalition Advisory Board when the RLF is awarded.

G. Ongoing Community Involvement

1. Community Involvement IFA will specify in RLF loan documents with RLF borrowers the community involvement opportunities that will be required as part of a RLF award. These activities will be the responsibility of the RLF recipient, and ongoing community involvement activities will be specified in the terms of an award. At a minimum, this will include proper notification provided at a public meeting, with opportunity for public comment on the proposed cleanup and redevelopment plans.
2. Partnership Development The Crossroads Coalition itself is a partnership at several levels of government. Each Regional Development District is managed by an Executive Board made up of City/Town and County officials, and state government is represented by IFA. The Crossroads Coalition will use its existing networks of contacts throughout the state, including local governments, local chambers of commerce, realtors, and economic development corporations to market this new program. On a state level, the Crossroads Coalition will continue to work with its traditional partners (e.g., IDEM, Indiana Economic Development Corporation, Office of Community and Rural Affairs, and Department of Natural Resources) to market and implement the RLF and to ensure appropriate and sustainable cleanup and redevelopment of brownfield sites that receive RLF money.
3. Communication IFA will develop news releases, fact sheets and brochures in both English and in alternate languages if demographic information suggests a need. IFA will hold public meetings upon request, and all IFA files are available

for public review. Progress of the RLF and award recipients will be documented on the Indiana Brownfields Program Web site, and bi-monthly editions of the *Brownfields Bulletin* newsletter will also be utilized to publish information regarding the RLF.

As discussed above, the local community will be informed in cleanup decisions made at RLF-funded sites through public notification and public comment. Local press coverage of brownfields redevelopment efforts has also traditionally been an avenue to report progress. Also, if RLF-funded projects choose to enroll in IDEM's VRP, additional community communication is required through that Program.

4. Community Based Organizations The following will be involved in this project:
 - Indiana Association of Cities and Towns (IACT); Contact Matt Greller, (317) 237.6200; IACT is an organization that works to protect the interests of its municipal members
 - Local Initiatives Support Corporation (LISC), Contact Will Pritchard, (317) 396.0588; LISC helps resident-led, community-based development organizations transform distressed communities and neighborhoods into healthy ones

H. Reduction of Threats to Human Health and the Environment

1. Threat Reduction RLF monies would provide the additional resources needed to facilitate the cleanup of brownfields that often pose a human and/or environmental threat from contaminants such as arsenic, chromium, mercury, lead, asbestos, vinyl chloride, among other hazardous substances. Many of these substances are known carcinogens and are found in soils and groundwater, which may pose concerns for exposure through direct contact or drinking water, as well as inhalation through vapor intrusion of buildings. While a variety of industries, such as dry cleaners, plating facilities, rubber processing plants, or even old commercial facilities with contaminated building materials, have adversely impacted their communities statewide, conducting site remediation activities would reduce such threats, which seem to be particularly prevalent within the regions represented by the Crossroads Coalition. To that end, many Crossroads Coalition members do not have public drinking water systems, and assessment and cleanup of sites in these areas will minimize exposure to cancerous and non-cancerous contaminants in their drinking water. In addition, areas represented by the Crossroads Coalition contain sensitive receptors such as Lake Michigan, wetlands, and surface waters, and cleanup of hazardous substances will minimize contaminated runoff to these waters. IFA, through its Indiana Brownfields Program, will oversee all environmental activities and provide technical reviews of work plans and final reports. IDEM uses the Risk Integrated System of Closure (RISC), a set of health-based standards, to evaluate cleanup options and contaminants based on detailed site data and proposed site end use to determine the appropriate cleanup option and contaminant reduction level necessary. RISC will be used to evaluate sites that receive RLF money as well.

2. Public Health Departments IFA works with the Indiana State Department of Health (ISDH) and the various county health departments. These health professionals can potentially address clusters of diseases and provide air sampling if necessary. They often provide assistance with public relations matters in explaining health effects of contaminants and can participate with the Crossroads Coalition in public availability sessions as necessary. The existing relationship with ISDH and the various county health departments will help ensure that public health issues are considered during the remediation activities and ultimately the redevelopment process. Cleanup plans for RLF-funded sites will be determined on a case-by-case basis and will be tailored to ensure that specific contaminants are addressed and the public health threat is reduced in accordance with RISC. All remediation performed with RLF funds will be done in accordance with all applicable federal and state environmental laws and regulations. All projects receiving RLF funds will be required to enroll in the Indiana Brownfields Program or IDEM's VRP. Upon request of IFA, IDEM will ensure proper monitoring and enforcement of any cleanup, engineering controls, and monitoring activities to be done by the borrower.

I. Leveraging of Additional Resources

1. Committed Funds The Indiana Brownfields Program has 4 primary staff persons dedicated to general program development, including outreach and education, financial incentive development, legal assistance, and other duties not addressed through the environmental technical staff. These 4 staff persons will dedicate time as in-kind services to support the efforts to develop, implement, market, and manage the grant; they have extensive experience with the Indiana Brownfields Program and will work to successfully manage the RLF. Crossroads Coalition members will dedicate staff time on the Advisory Board as in-kind services and will market the funds to property owners and other potential borrowers in their respective regions.
2. Leverage Funds IFA, through its Indiana Brownfields Program, has assessment grants, petroleum remediation grants, loans, and remediation tax credits to fill funding gaps not addressed with this RLF grant. For example, the Crossroads Coalition has only applied for this grant to address hazardous substance contamination because IFA has an \$8 million grant fund to address petroleum contamination. Indiana's Office of Community and Rural Affairs has community development funds that can be used for planning, construction, infrastructure, and other assistance to complete activities not eligible under this RLF.

In addition, the Crossroads Coalition will look to the State Revolving Fund, state CDBG community development grants, TIF proceeds, EDA funds, EPA grants, and other federal and state resources to support their brownfields redevelopment activities. These additional funding sources will be leveraged by a RLF grant and vice versa. Preliminary data on projects funded by state brownfields assistance indicates that state assistance has leveraged \$9 of other investment for every \$1 of state brownfields money. The Crossroads Coalition will look for similar

success with RLF funds, and if successful, approximately \$22 million will be leveraged by the RLF.

J. Programmatic Capability/Management Structure

1. Grant Management In the spring of 2005, Indiana's new Governor signed legislation creating the IFA and providing that all Indiana Brownfields Program activities be managed by the newly-created IFA. All personnel, formerly with the Indiana Development Finance Authority (IDFA) and IDEM that had previously worked cooperatively on Indiana Brownfields Program initiatives, have been assigned to the Indiana Brownfields Program and report to the IFA's Director of Environmental Programs. Along with the Indiana Brownfields Program, the State Revolving Fund (SRF) Loan Programs are also managed by IFA. The Director of Environmental Programs for IFA has previously managed the State's SRF Programs and will continue to manage all Programs cooperatively. At full capacity, there will be more than 30 employees in the IFA's Environmental Programs section working within all the Programs with 12 being solely responsible for administering the Indiana Brownfields Program. In addition, current accounting, grant, and financial staff previously assigned to the SRF Loan Programs will assist in the grant and financial needs of the new Indiana Brownfields Program.

To date, the Indiana Brownfields Program has awarded over \$13 million in assessment and remediation funding throughout Indiana. Through the Indiana Brownfields Program, IFA has the necessary financial and technical expertise to successfully perform all phases of work under this grant. Furthermore, IFA engages the services of an asset manager that provides trust investment and planning advice in accordance with the IFA Investment Policy, which is pursuant to state law and has been adopted by the IFA Board of Directors. If necessary, IFA would make any changes to internal controls and audit procedures to ensure full federal compliance.

2. Grant Management History IFA, through its predecessor IDFA, has already successfully implemented an EPA Brownfields Cleanup Revolving Loan Fund (BCRLF) grant, whereby IDEM was the cooperative agreement recipient (lead agency) and IFA served via MOU as fund manager. In 2002, IFA and IDEM worked together to award the first project under this earlier grant. The Fredrickson Park project in South Bend, Indiana, received \$1,000,000 to cap an abandoned landfill in a residential area. Following cap completion, South Bend has partnered with local organizations, including the University of Notre Dame, neighborhood associations, and local school districts to develop an environmental educational center. This plan includes greenspace, trails, and an environmental learning center. This project has been a tremendous success that highlights local, state, and federal leadership and the state partnership between IFA and IDEM. In the Fredrickson Park project, IFA created loan documents and worked with IDEM to construct the operational framework for servicing the loan and associated project. Through these activities, IFA has become knowledgeable with requirements for managing federal funds and is confident of

its ability to provide similar management in the event of an award based on this proposal.

In addition, IFA has substantial experience in managing a complex loan program with the State's State Revolving Fund Loan Programs. Almost 350 loans totaling over \$1.4 billion have been closed and are in the process of repayment. The State Revolving Fund Loan Programs are a leveraged loan program with over \$1.5 billion in state issued tax exempt obligations issued and outstanding. The State has successfully leveraged EPA grants to produce loans in excess of \$2.50 for each \$1 of EPA funds. IFA has complied with the activities referenced under OMB Circular A-133 and has an annual audit prepared by independent auditors.

3. IFA has not been the direct recipient of an EPA Brownfields cooperative agreement.
4. Tracking and Measuring Progress Because IFA already has a program in place to manage complex loan programs, including the State Revolving Fund, all tracking and recordkeeping mechanisms have already been established. Progress will be tracked to ensure that the Crossroads Coalition RLF is marketed effectively and loans are made in a timely matter. Reporting on the status of the RLF to the Crossroad Coalition members will occur at least quarterly.

Attachment A
Documentation of Applicant Eligibility
Crossroads Coalition Letters
Map of Crossroads Coalition Jurisdictions

Attachment B
Copy of Public Notice

Attachment C
Letter from State Environmental Authority

Attachment D
Legal Opinion Letter

Attachment E
Project Evaluation Criteria